

Not yet. But we have seen some disturbing trends in the market. Five years ago, over 80 percent of stocks in new foreign companies were offered here in America. Our stock markets offered the most services at the lowest prices. People in financial centers like Chicago and New York built their family incomes on this business, founded on U.S. leadership of stock and bond markets worldwide.

Most of this new, international work has disappeared. Over 90% stocks in new foreign companies are now sold outside of the United States. Markets in Hong Kong and Shanghai now boast some of the best ways for new companies to raise funding to expand their employment and business. One of the reasons why America is falling behind may be one section of the historic Sarbanes-Oxley corporate reform law.

I voted for Sarbanes-Oxley because it offered reforms to protect investors and return some of the ill-gotten gains that the leaders of WorldCom, Enron and Tyco gained while breaking the law. The best thing about Sarbanes-Oxley was that it offered jail time. Nothing gets a CEO's attention better than that.

Over the last four years, sections 1-403 of the Sarbanes-Oxley bill performed well. One section, section 404, required all public companies to document their internal controls with a fine-tooth comb. It makes sense for most companies but to the smallest and newest startups; it triggered accounting costs that devoured half of the profits of any new public company in America. Foreign startups left our shores and many public companies repurchased their stock and left the markets for life as a private company. Most people now agree that section 404 resulted in huge, unintended consequences for our economy -- a reduction in U.S. leadership and less transparency as companies went private.

Working with Democratic Congressman Steve Israel (D-NY), I offered bipartisan reforms (H.R. 1780) to help small businesses with section 404. Our reforms leave 95% of the market under full Sarbanes-Oxley compliance. We chose to back the recommendations of the Securities and Exchange Commission staff and their Small Business Advisory Committee -- led by Herb Wander of Highland Park. Our bill is intended to send a clear message to small businesses thinking of leaving the U.S. or going private -- reforms are coming and many Democrats and Republicans on Capitol Hill support the direction the SEC staff and its Advisory Committee recommend -- that smaller businesses should comply with the law using a risk-based system that reflects their small size and new operation. In the end, the SEC and the Public Company Accounting Oversight Board already look like they are moving in the direction of the bipartisan Kirk-Israel bill.